



Town of Garrett Park

**Amending
FY 2009 Operating & Capital Budgets**

Ordinance 2008-08

December 8, 2008

Town of Garrett Park

Draft Ordinance 2008-08 FY 2009 Budget Amendment

Revenues

1000 - Taxes & Fees: Property tax collections are on track. The initial projection for FY 2009 income taxes of \$200,000 represents a 30% reduction from the \$301,137 received in FY 2008. Collections through November indicate that this is the likely end-of-year total.

2000 - Intergovernmental Revenues: The original FY 2009 \$40,000 projection for Highway User Fund receipts appears a bit pessimistic in the light of actual receipt to date and with the declining price of gasoline, so a modest increase to \$45,000 seems reasonable. When the initial FY 2009 budget was drafted, the Town had \$36,000 available to it in its Program Open Space account to apply to the Cambria Park improvements that are now nearly complete. That account has increased to \$55,750, so we have a nice increase of \$19,750. This state grant of \$55,750 is a one-time event.

3000 - Service Charges: No changes expected in these line items.

5000- Miscellaneous Revenues: A reduction in investment earnings is needed as our invested funds balance will be significantly lower than anticipated due to the cost of the lawsuit. Also, interest rates are falling, so a reduction of \$2,500 seems prudent. The modest increase in Rents and Concessions reflects a more careful analysis of the additional rents charged to Penn Place tenants to defray expenses.

Reserves & Contingencies

Operating Reserve: This amended budget reverses the original budget's transfer of \$57,000 to the Operating Reserve. This will leave the reserve's balance of \$125,000 unchanged from the end of FY 2008.

Operating Contingency: The amended budget proposes to return the Operating Contingency to its original level of \$30,000. Recent transfers had reduced it to \$10,000, which is not a reasonable amount for a budget of this size in a time of such uncertainty.

Capital Contingency: This is reduced to Zero. There are increases in the Construction: Facilities li

Expenditures

10000 Personnel: A reduction of \$2,500 in the Benefits line reflects a reduced funding of the Town's self-insured "First Dollar" fund. There is currently over \$20,000 in that account, which is enough to cover any possible withdrawals through the end of the fiscal year.

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11000 Town Administration: Herein lies the heart of our problem: legal fees resulting from the *Martin v. Garrett Park* lawsuit, a sub-line of Professional Fees, which are projected to drive that account to nearly one-quarter of a million dollars spent in FY 2008 and FY 2009, close to 25% of the total annual budget, and the equivalent of what the Town had hoped to spend on the Capital Improvement Plan on a year-to-year average. We have spent or been billed \$147,135 in Professional Services to date, of which Legal Fees are \$136,842. Additional non-legal fees estimated until year's end are \$8,500, leaving a balance of \$68,365 in Professional Fees to cover remaining legal fees. As big as the \$106,650 increase is, it may not be enough.

12000 Sponsorships, Etc.: Reductions of \$450 in the Town's support of the Citizens Association and the elimination of support (\$300) for the County's MLK Day Committee are proposed.

13000 Buildings & Grounds: A reduction in expenditures for planting of annuals around Penn Place and Town Hall, the correction of over-estimates for electricity and gas, and the shifting of repairs to the Capital Budget yield a reduction of \$10,850 in this account.

14000 Town Services: Reductions throughout the sub lines: funding for minimal sidewalk and street repairs, cutting back to only one street sweeping, a correction of the WSSC hydrant water meter fee, and reductions in Parks maintenance and improvement expenses lead to a reduction of \$10,800 in this account.

16000 Equipment Repair & Maintenance: An increase is needed in this account - it was necessary to put a new transmission in the Chevrolet pickup. While over 20 years old, this truck continues to provide valuable service and is well worth keeping in operating condition.

17000 Publication Expenses: This is the account for the Town's website. We entered into a maintenance contract with the website's designer, and need an additional \$250.

18000 Conferences, Etc.: This line is proposed to be reduced by \$7,900 by not supporting attendance by Town officials at the 2009 MML Annual Conference in June.

19000 Operating Contingency: As indicated above, this line was reduced to \$10,000 by transfers to Professional Fees at the November Council meeting, and is restored to its original \$30,000 in this budget ordinance.

23000 Transfers to Capital: This transfer is reduced \$16,150 to \$43,850, leaving the Capital Contingency at Zero.

25000 Transfers to Operating Reserve: This transfer is reduced \$57,000 to Zero, leaving the Operating Reserve at \$125,000.

Total Expenditures: The total budget is increased by \$22,975.